
**Operating
Budget**

***Operating Budget & Capital Improvement Program
FY 2007-2008***

FY 2007-08 PRELIMINARY OPERATING BUDGET OVERVIEW

The preliminary Operating budget for Fiscal Year 2007-08 totals \$192.3 million, with revenues for the year estimated at \$196.2 million. General Fund revenues are estimated at \$121.0 million and budgeted expenditures are \$115.6 million.

REVENUE

The following table shows the total operating revenues the City anticipates receiving for FY 2006-07, as well as those estimated for FY 2007-08.

REVENUE SUMMARY BY FUND TYPE (in Millions)				
FUND	PROJECTED 2006-07	ESTIMATED 2007-08	\$ CHANGE	% CHANGE
GENERAL FUND	\$ 114.5	\$ 121.0	\$ 6.5	5.7%
SPECIAL REVENUE	10.7	10.1	(0.6)	(5.3%)
ENTERPRISE	36.2	46.8	10.6	29.2%
INTERNAL SERVICE	14.1	14.7	0.7	4.7%
REDEVELOPMENT	3.6	3.6	0	0%
TOTAL	\$ 179.0	\$ 196.2	\$ 17.2	9.6%

Revenue estimates for the Operating Budget indicate that the City will receive a total of \$196.2 million, a 9.6% increase over the prior year. The majority of the increase of \$10.6 million in the Enterprise Funds is due to the additional state unfunded mandated requirements and the new operation of the Golf Course opening this Summer. More information on the City's revenue sources can be found in the discussion that follows.

General Fund

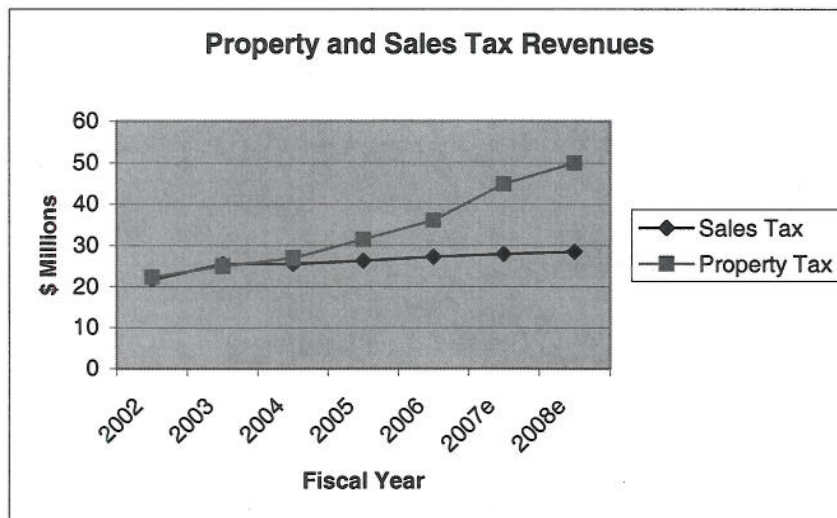
General Fund revenues provide a representative picture of the local economy. These revenues are of particular interest as they fund basic City services such as police, fire, library, street and park maintenance, and recreation programs. The table below shows a summarized outlook for the major General Fund revenues.

SIGNIFICANT GENERAL FUND REVENUES (In Millions)				
FUND	PROJECTED 2006-07	ESTIMATED 2007-08	\$ CHANGE	% CHANGE
PROPERTY TAX	\$ 44.9	\$ 50.0	\$ 5.1	11.3%
SALES TAX	28.0	28.5	0.5	1.8%
TRANSIENT OCC. TAX	12.8	13.6	0.8	6.2%
FRANCHISE TAXES	5.3	5.6	0.3	5.7%
BUSINESS LICENSE TAX	3.2	3.3	0.1	3.1%
DEVELOPMENT REVENUES	4.8	2.9	(1.9)	(39.6%)
ALL OTHER REVENUE	15.5	17.1	1.6	10.3%
TOTAL	\$ 114.5	\$ 121.0	\$ 6.5	5.7%

This year it is expected that **property taxes** will grow to over \$50 million, an 11.3% increase over the projection for FY 2006-07. This includes an 8.7% estimated increase in assessed valuation as provided by the County Assessor in May 2007, as well as a conservative assumption for resales and new development. The 2004-05 State of California budget

reallocated Property Taxes for Vehicle License Fees (VLF). Thus, instead of receiving approximately \$5 million in VLF in 2005-06, the City now gets additional property taxes in an equal amount. These amounts will continue to grow at the same rate as the City's assessed values.

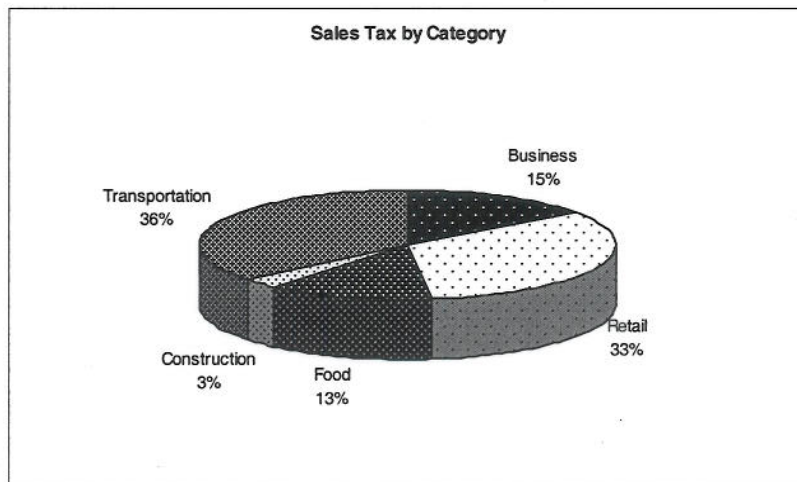
Property taxes tend to lag behind the rest of the economy, as the tax for the upcoming fiscal year is based on assessed values from the previous January. Thus, the taxes to be received for Fiscal Year 2007-08 are based on values as of January 1, 2007. Sales taxes react much quicker to changes in the economy and therefore will typically grow faster in a good economy, but also drop off faster as the economy cools.



Property taxes also have a cap on how fast they can grow. This is due to Proposition 13. Proposition 13 was adopted by the State in 1978. This proposition limits the growth in assessed values (and thus property taxes) to no more than 2% per year. The value upon which the tax is based is only increased to the full market value upon the sale of the property. Thus, property taxes tend to grow slowly

unless there is a significant amount of housing activity. In more recent years, we have seen a robust growth in property taxes due to new developments, a large number of resales within the City spurring revaluation of the parcels, and double-digit growth in housing prices. As the economy slows and the City approaches build-out the growth in property taxes is expected to be moderate.

Sales taxes are expected to total \$28.5 million for 2007-08, an increase of 1.8% over the 2006-07 projections. These projections assume that the slow economy and high gasoline prices will minimize the growth in sales tax. The City of Carlsbad has many car dealerships which generate approximately \$6.5 million of sales tax each year. Car sales have slowed during FY 2006-07 and are expected to remain slow during FY 2007-08. In addition, Robinsons May department store closed at the end of FY 2005-06 negatively impacting sales tax for FY 2006-07 and in the future until a replacement retail vendor is located in that space.

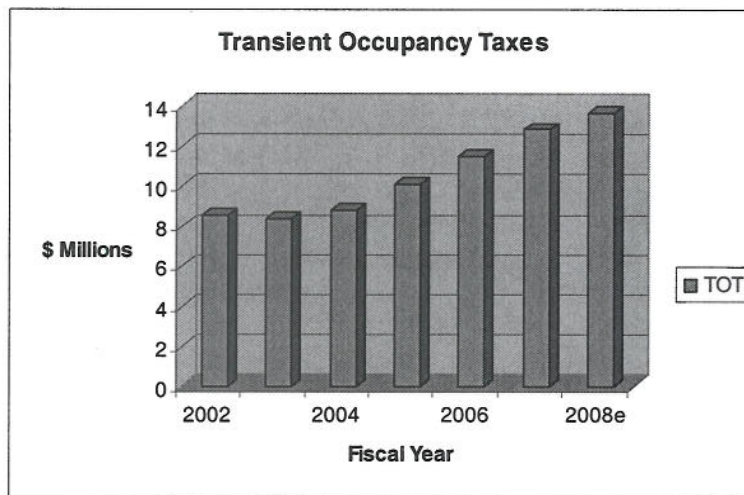


Several years ago, the State of California implemented the "Triple Flip". The "Triple Flip" is essentially a temporary swap of a ¼ cent of the cities' sales taxes in return for property tax. It was done in order to give the State a revenue source against which they could issue deficit

reduction bonds. The City's sales tax estimates continue to show this amount as sales tax since the amount is reflective of what the City would receive.

As can be seen in the chart on the previous page, the City's sales tax base is heavily weighted in the transportation (predominantly new car sales) and retail sectors. These two sectors make up approximately 70% of the City's sales tax base.

Sales tax estimates also include approximately \$900,000 that is restricted to spending on public safety services under Proposition 172. Proposition 172 requires that the one-half cent increase in California sales taxes be allocated to local agencies, to fund public safety services.



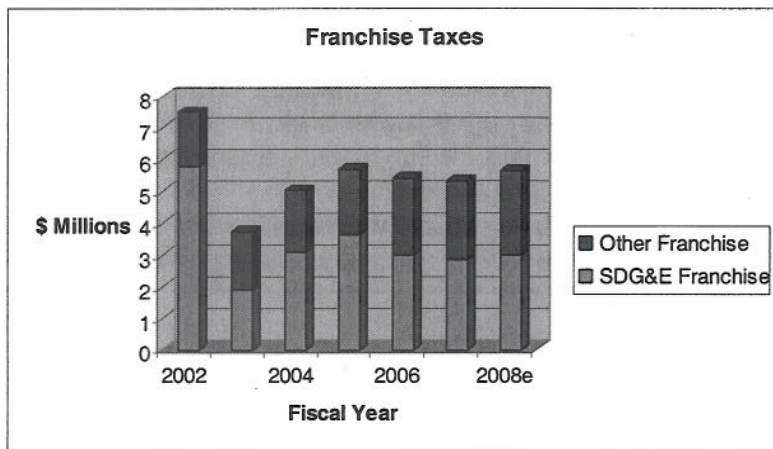
The third highest General Fund revenue source is **Transient Occupancy Taxes** (TOT or hotel taxes) estimated at \$13.6 million for 2007-08, an increase of 6.2% over 2006-07 estimates. TOT declined after the September 2001 terrorism attacks and the mild recession that followed. Compounding the decline for Carlsbad was the renovation occurring at one of Carlsbad's premier resorts, the La Costa Resort and Spa. The resort underwent extensive remodeling and rebuilding, which offset much

of the growth experienced by the other hotels in the City. The La Costa Resort and Spa is continuing with their upgrading by adding villas over the next several years. This will contribute to the growth in TOT revenues.

It is expected that Fiscal Year 2006-07 will end the year with about \$12.8 million in TOT receipts, an 11% increase from FY 2005-06. Growth is expected to be moderate going into FY 2007-08, with 3.5% assumed for the base growth. In addition to the base growth, two hotels, the Hampton Inn and Homewood Suites, both located near the McClellan/Palomar Airport, are expected to open during FY 2007-08. The combination of the base growth, the two new hotels and the addition of the La Costa Resort and Spa villas results in an estimated 6.2% growth over FY 2006-07 projections.

One of the more volatile General Fund revenues is the **Franchise tax**. Franchise taxes are paid by certain industries that use the City right-of-way to conduct their business. The City currently has franchise agreements for cable TV service, solid waste services, cell sites, and gas and electric services. The cable and solid waste franchises have been growing along with the growth in population and changes in their rate structures. These franchise revenues are projected to remain relatively flat in FY 2007-08. The large fluctuations in franchise taxes has come from the taxes on gas and electric services, which are paid by San Diego Gas and Electric (SDG&E).

SDG&E pays franchise taxes for the use of the public land over which they transport gas and electricity. The City also receives an "in-lieu" franchise tax based on the value of gas and electricity transported on SDG&E lines, but purchased from another source. The "in-lieu" tax captures the franchise taxes on gas and electricity that is transported using public lands but which would not otherwise be included in the calculations for franchise taxes, due to deregulation of the power industry. The majority of the "in-lieu" taxes received is attributable to Cabrillo Power, the operator of the Encina power plant, based on the gas used in the generation of electricity.



During the energy crisis in 2000 and 2001, average gas prices soared from about \$3 per thousand cubic feet to, at times, more than \$12 per thousand cubic feet. In addition, the Encina power plant was operating at a much higher capacity. The combination of these two factors resulted in an increase in franchise fees to the City of over 100% in FY2001 and FY2002 (franchise taxes are paid in April for the previous calendar year).

Another price spike occurred in 2003, increasing the FY2004 revenues, and the high prices continued into FY2005. The FY 2007-08 forecast essentially predicts the same amount of SDG&E franchise revenue as the previous year.

Development-related revenues include planning, engineering and building permits, and fees paid by developers to cover the cost of reviewing and monitoring development activities such as plan checks and inspections. These revenues are difficult to predict, as many of the planning and engineering activities occur months or years before any structures are actually built.

Development-related revenues have been declining during Fiscal Year 2006-07 due to the slow down in the economy especially the softening in the real estate market. The major declines in the development-related revenues are primarily in the residential area. Commercial and Industrial development is expected to offset a good amount of these declines for FY 2006-07. For the FY 2007-08 budget, the development-related revenues are anticipated to continue to decline as a result of the economy and real estate market. For FY 2005-06 there were 943 units permitted for residential housing. For FY 2006-07 approximately 422 residential units are expected to be permitted. For FY 2007-08, 251 permits are projected to be issued for residential housing. The commercial and industrial building activity has remained strong for FY 2005-06 and FY 2006-07 however, it too is anticipated to decline for FY 2007-08. These reductions in activity are reflected in the lower development related revenue for FY 2007-08. A 40% decline in building related revenue is projected for next year.

Business license taxes are closely tied to the health of the economy and are projected to increase slightly to an estimated \$3.3 million. There are currently about 8,500 licensed businesses in Carlsbad, with over 2,500 of them home-based.

All other revenues include vehicle license fees, transfer taxes, interest earnings, ambulance fees, recreation fees, and other charges and fees. The estimate for Fiscal Year 2007-08 totals \$17.1 million, a \$1.6 million increase from Fiscal Year 2006-07, due mainly to a one-time reimbursement (\$1.0 million) expected from the Federal Highway Administration for the 2005 winter storm damage in the City. In Fiscal Year 2006-07 the City received \$6.2 million from the Federal Highway Administration for reimbursement to the City for the 2005 winter storm damage.

Transfer taxes are those taxes paid to the county upon the transfer of interests in real estate. The tax is 55 cents per \$500 of property value, and is split equally between the county and the City. Carlsbad expects to receive \$1.0 million in transfer taxes for FY 2006-07, and about the same in FY 2007-08. Income from investments and property includes interest earnings, as well as rental income from City-owned land and facilities. The City is expected to earn about \$3.0 million in interest on its General Fund investments for Fiscal Year 2007-08. There is a need to

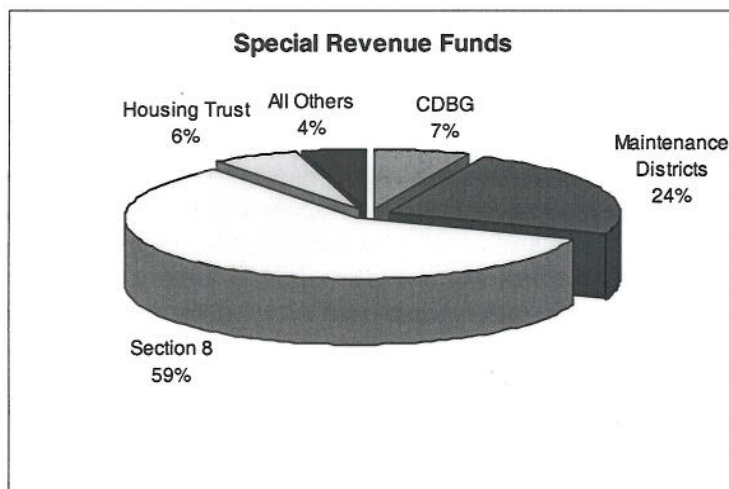
loan the Median Landscaping Fund approximately \$108,000 for additional medians that have been added to the City's inventory over the last few years. This is discussed in more detail later in the report.

Overall, General Fund revenues are expected to grow by about 5.7%, or \$6.5 million, in the upcoming year. Most of the growth is coming from the tax revenues: mainly property and TOT. Although the City experienced revenue growth between 9% and 17% in the late 1990's, it was not sustainable growth. Much of those increases were due to the opening of new hotels, restaurants, retail centers, and new home development. As the City matures, it will be increasingly more difficult to produce double-digit growth in revenues. The 5.7% gain projected for Fiscal Year 2007-08 is respectable, given that the economy is slowing and the real estate market has cooled. This growth in revenue is closer to what may be expected in the future.

Other Funds

Revenues from **Special Revenue** funds are expected to total \$10.1 million, a \$600,000 decrease from FY 2006-07. The types of programs supported within Special Revenue funds are those funded by specific revenue streams such as:

- Grants (Section 8 Housing Assistance, Community Development Block Grants); Donations;
- Special fees and assessments (Housing Trust Fund, Maintenance Assessment Districts).



The most noteworthy change in the Special Revenue funds occurred in the Housing Trust Fund. The Housing Trust fund was set up to provide funding for the City's affordable housing programs. Revenues come from inclusionary housing fees, interest on cash balances, and payments on affordable housing loans. Most affordable housing loans are set up so that interest and/or principal payments are only due when funds are available from the project to make the payments; therefore, they

are difficult to predict. For Fiscal Year 2006-07, the City expects to receive about \$500,000 in repayments. For Fiscal Year 2007-08, only \$75,000 has been estimated for fees, as this revenue source is uncertain. Most of the fund's revenue decrease is due to this difference.

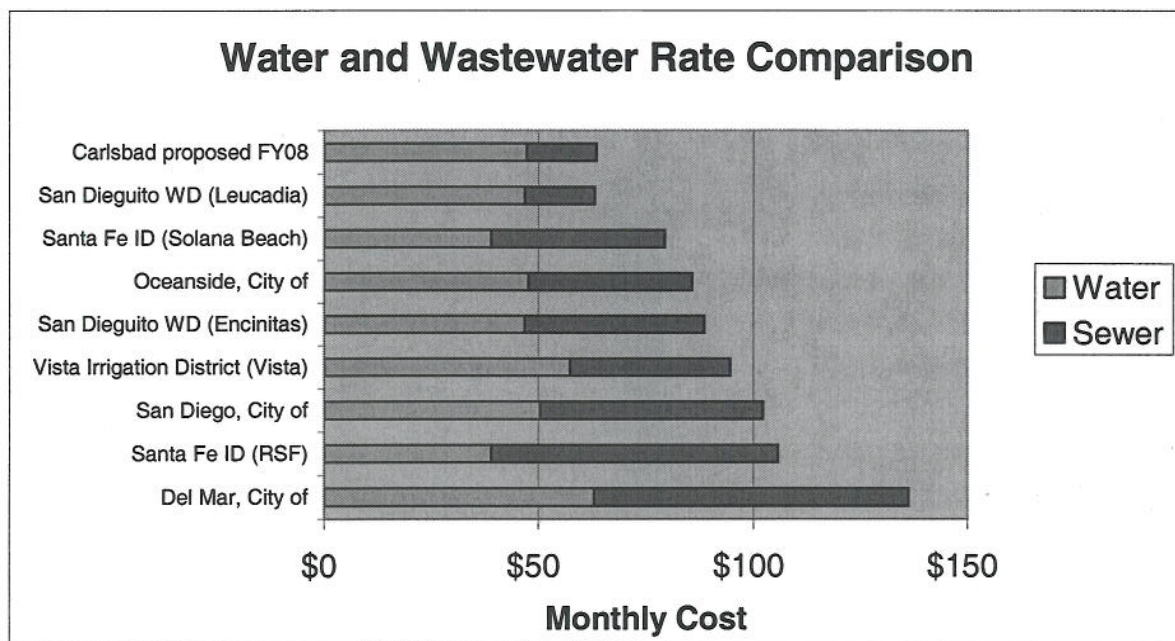
Enterprise fund revenues for FY 2007-08 are projected at \$46.8 million, an increase of \$10.6 million over current year projections. The increase in revenues is due to the opening of the Golf Course and the proposed rate increases for Water, Wastewater and Solid Waste Funds. Enterprise funds are similar to a business, in that rates are charged to support the operations that supply the service. Carlsbad Enterprises include the water, recycled water, and sanitation services; solid waste management; and the Carlsbad Golf Course.

The Water Enterprise Fund shows an increase in revenues of 8.9% over the previous year. A 9% increase in water rates is recommended. It is estimated that the average increase to a household will be approximately \$3.97 per month (fixed + variable). Carlsbad's water rates are still among the lowest in the region.

A rate increase is being recommended in the Sanitation Enterprise of 10.6%. This will raise the base residential rate from \$14.65 to \$16.20 per month. Even with the proposed rate increase, Carlsbad's sewer rates are also still among the lowest in the region.

The Solid Waste Fund contains two programs: solid waste management and storm water management. Increases of approximately \$1.90 per month for a residential household are proposed in order to fund the cost of implementing state mandated programs.

The following chart is a comparison of the proposed increases for water and wastewater as compared to the current rates for neighboring agencies.

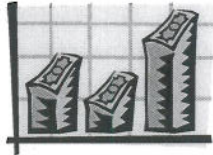


Internal Service funds show estimated revenues of \$14.7 million for FY 2007-08, an increase of 4.7%, over FY 2006-07 projections. Internal Service funds provide services within the City itself, and include programs such as the self-insurance funds for Workers' Compensation and Liability, as well as Information Technology and Vehicle Maintenance and Replacement. Departments pay for services provided by these funds; therefore, the rates charged for the services are based on the cost to provide the service. The goal of the Internal Service funds is to match their budgeted expenses with charges to the departments, after allowing for a certain level of reserves within the fund.

The more significant increases occurred in the Information Technology and Vehicle Maintenance and Replacement. The increases in Information Technology enable the department to keep up with the demand for services. In the Vehicle Maintenance fund, it is mainly due to the cost of fuel. For the Vehicle Replacement Fund, the increase reflects additional allocations to ensure sufficient revenues are available to replace equipment at the end of its useful life. More discussion on the costs can be found in the Expenditures section of this report.

Redevelopment revenues are expected to total \$3.6 million in the upcoming year; no change from the projections for the previous year.

EXPENDITURES



The City's Operating budget for FY 2007-08 totals \$192.3 million, which represents an increase of \$20.5 million, or 12.0%, from the adopted FY 2006-07 budget. The changes in each of the City's programs will be discussed below.

Budgetary Policies

The theme behind this year's budget development was "Building a sustainable community by effectively managing today's resources" – to manage our current resources so that we are able to deliver the same quality and level of services while maintaining a balanced budget for now and into the future. While the forecast shows expectations for a balanced budget in the future, the City also has a large capital program underway which will add additional pressure to the budget as the facilities are opened and need operation and maintenance. With the inherent risks of a downturn in the economy it is important to keep an eye focused on the future to ensure the City remains in good financial health. To achieve that end, the following policies were set:

- Maintain current service levels.
- New programs may be considered only if they are critical to support the City Council's strategic goals, the City's mission and/or required under a legal mandate.
- Identify new revenue generation opportunities
- Carefully review open positions prior to filling
- New positions will be limited to only those necessary to maintain service levels
- Budget requests for one-time funding to implement specific goals will be considered.
- Generally, be prudent in budgeting. Consider cost containment measures and budget discretionary items at minimum levels.

The City uses an "Expenditure Control Budget" (ECB) process in budgeting. In the ECB approach, each department is given a block appropriation containing sufficient funds to provide the current level of services for the upcoming year. As Carlsbad is a growing city, the block appropriation should contain sufficient funds to pay for inflationary increases as well as growth in the customer base. Every year the block is increased by an index for growth and inflation. No additional appropriations are expected during the year except in the case of a significant unanticipated event. Amounts that are unspent at the end of the fiscal year will be carried forward to the new fiscal year. At the end of FY2006-07 the amounts carried forward will be capped at no more than 10% of the previous year's adopted budget.

In the FY 2006-07 Budget, the block portion of the "Expenditure Control Budget" (ECB) was reviewed and brought in line with changes that had occurred in the programs and with efficiencies that were identified during the review. Every program was scrutinized to determine the true cost of providing the services and budgeted at the level deemed necessary to continue to provide the services. In the Preliminary FY 2007-08 Budget, we have returned to the ECB process using the Fiscal Year 2006-07 Budget as the base.

The FY 2007-08 Preliminary Budget reflects the following organizational and structural change, which will continue to contribute to the overall effectiveness of the organization:

- The Arts General, Gallery Donations and Arts Education Program Funds will be moved into the Arts General Fund. This move will improve the City's internal efficiencies and will continue to support the ability of citizens to donate to these valuable programs.

Budgeted Expenditures

Through the application of these guidelines and policies, the FY 2007-08 Preliminary Operating Budget of \$192.3 million was developed. The FY 2007-08 Preliminary Operating budget proposes 21 new full-time employees: 5 are to enhance Public Safety, 1 in the Geographic Information Systems Department which will improve the level of service, 1 in Public Works to manage the increase number of information systems in the Public Works Department, 1 new Building Maintenance Worker to maintain the new facilities opening in FY 2007-08, 2 are related to a conversion of part-time personnel into full time personnel to improve effectiveness in the Police and Public Works Departments, 1 limited term employee in Human Resources to assist in recruiting, 1 Cross Control Technician to be utilized in Sewer and Water and 9 new employees related to new legal mandates for Storm Water and Wastewater programs. The net decrease in hourly staff totaled approximately 6.35 full-time equivalents (FTE). These changes result in a City workforce of 710 full and three-quarter time employees and 137.77 hourly FTE. The staffing changes in each of the City's programs will be discussed below.

Facilities

The City has a large number of major capital projects scheduled to be built over the next five years. As the City completes these projects, the costs of maintaining and operating the facilities are added to the Operating Budget. The new Library Learning Center and the Senior Center are both anticipated to open in the next fiscal year. The Library Learning Center is scheduled to open in the Summer of 2008 and the expanded Senior Center is anticipated to open in the Summer of 2007. The Public Works Department has requested a Building Maintenance Worker I and Recreation Department has requested part time staff to maintain and operate the new facilities in the FY 2007-08.

Public Safety

Public safety has always been, and remains, a top Council priority. After reviewing the current staffing requirements and the population growth in the City, it was evident that there was a need to add new Public Safety personnel to maintain the current service levels in the community.

In FY 2007-08 the Police Department has requested one additional Police Officer for Field Operations, and a Police Officer and a Sergeant in the Traffic Division to maintain the current safety levels with the population growth in Carlsbad. A Property and Evidence CSO II is also being requested to process the current caseload and maintain the high level of integrity required to manage the large number of items and evidence held in the Police Department's property room. Finally, a System Administrator I has been requested to maintain the increased number of new mobile computers and software systems that the Police Department utilizes.



The Fire Department is requesting a Battalion Chief for Administration to assist in the day to day management of the Fire Department. The new Battalion Chief will play an important role in the construction, move and occupancy of Fire Station #3 and Fire Station #6, planning and development of the Joint First Responders Training Facility and the continued coordination of the regional fire services. This important function will improve the quality of the service provided by the Fire Department, insure that future facilities meet the needs of the department and that Carlsbad's Fire's Service operates efficiently with its' regional partners.

Top Quality Service

One of Council's goals is top-quality service, which means serving our customers well. The City is continuing its efforts to provide the best service to our citizens and customers. There are numerous goals proposed for the 2007-08 Fiscal Year that investigate potential enhancements to the services we provide.

One new program being implemented this year is the Library's Radio Frequency Identification (RFID) technology. In FY 2007-08, the RFID project will allow patrons to automatically check out books and materials without having to wait in any lines. The chip technology, similar to the speed pass technology used in other retail locations, is embedded in the materials and will automatically read a checkout and bill the customer when necessary. One goal of the program will be to greatly improve the Library experience for the customers. The technology will also make the restocking of materials far more efficient and ultimately result in labor savings for the department. With these increased efficiencies the Library plans to reduce its current hourly staff by a net of 7.5 FTEs through attrition by the end of FY 2007-08.



There are currently an increasing number of programs in the City of Carlsbad that require the services of the GIS Department. The programs include land use programs, storm water flow analysis, open space and habitat management, address information used for water/sewer operations and public safety and maintaining information on parcel history. The Community Development Department has requested an additional Geographic Information Systems Technician for the GIS Department. The technician will help process the increasing number of service requests for maps and data analysis to assure information is not outdated.

Increased Efficiencies and Cost Savings

With the emphasis this year on building a sustainable community by effectively managing today's resources; several goals will target increasing efficiencies and cost savings. The Public Works Street Department is requesting a Maintenance Aide be hired to replace temporary employees. Hiring the full-time position will allow Public Works to insure that adequate training levels are provided to City employees and appropriate staffing levels are maintained to provide the high level of quality service that the citizens require.

This year a comprehensive review was done of the numbers and types of vehicles being purchased as replacements for the City's current fleet. Each vehicle was reviewed to determine the need for replacement at this time as well as whether the replacement could be a smaller, less costly, more fuel-efficient vehicle without hurting the effectiveness of the program. The results of this review were that 30 vehicles were selected for replacement out of the 55 vehicles that met the replacement criteria outlined in Administrative Order Number 3. Of the 30 vehicles selected for replacement, 2 vehicles were downsized.

Financial Health – Fully Funding Retirement and Retiree Health Care Costs

Retirement and retiree health care costs are important to manage and plan for as the amounts can be significant in many organizations. The City of Carlsbad is a member of the California Public Employees Retirement System (CALPERS) which ensures that the City of Carlsbad adequately funds its current and future retirement obligations.

The Government Accounting Standards Board (GASB) requires governments to clearly report their retiree health care costs including annual contributions and the amount to be paid in the future. The City recently hired an actuary to conduct an analysis of the long-term fiscal

obligations of retiree health costs for City employees taking into consideration the life expectancy of the employees, medical inflation, estimated retirement ages, investment return rate, etc. Based on the results of the actuary analysis, the City of Carlsbad's General Fund has sufficient revenue earned in excess of the budget for FY 2006-07 to adequately fund its portion of retiree health care obligations. The other funds also have sufficient fund balances to cover their share. According to the actuary firm, Gabriel, Roeder, Smith & Co., the estimated future liability for the entire City is approximately \$7.9 million. In addition to the liability, there is an annual payment of approximately \$368,000 per year. The General Fund portion of the future liability is approximately \$4.8 million and the annual payment is approximately \$288,000.

City of Carlsbad retirees are eligible for a post-retirement healthcare subsidy. The City does not fully cover retiree health care costs. The City covers only the subsidy that is mandated by CALPERS, which administers the City's retirement plan. Because the City only funds a subsidy and not the entire health care costs, the City's future liability is significantly less than many government organizations. For calendar year 2007 the subsidy is \$80.80 per eligible employee/retiree per month. For calendar year 2008 the subsidy will be \$97.90 per eligible employee/retiree per month and will be adjusted annually to reflect changes in the medical component of the Consumer Price Index.

Budget by Fund Type

This table below shows the changes in the proposed operating budget for Fiscal Year 2007-08 compared to the adopted budget for Fiscal Year 2006-07.

BUDGET EXPENDITURE SUMMARY BY FUND TYPE (In Millions)				
FUND	BUDGET 2006-07	BUDGET 2007-08	\$ CHANGE	% CHANGE
GENERAL FUND	\$ 106.4	\$ 115.6	\$ 9.3	8.0%
SPECIAL REVENUE	9.9	10.5	0.6	5.7%
ENTERPRISE	40.2	51.3	11.1	27.7%
INTERNAL SERVICE	13.4	13.0	(0.4)	(3.1%)
REDEVELOPMENT	1.9	1.9	(0.0)	(0.0%)
TOTAL	\$ 171.8	\$ 192.3	\$ 20.5	12.0%

The General Fund contains most of the discretionary revenues that finance the basic core of City services. However, this should not diminish the importance of the other operating funds, as they also contribute to the array of services available within Carlsbad. The remainder of this section will provide more information about the proposed budgeted expenditures by fund and program.

General Fund

Total budget for the General Fund is \$115.6 million, which is 8.0% more than the previous budget of \$106.4 million. As can be seen in the table to the right, the increase is mainly due to the increase in personnel costs.

GENERAL FUND SUMMARY BY EXPENDITURE TYPE (In Thousands)				
	BUDGET 2006-07	BUDGET 2007-08	\$ CHANGE	% CHANGE
PERSONNEL	\$ 68.8	\$ 74.2	\$ 5.4	7.3%
M & O	28.3	31.9	3.6	11.3%
CAPITAL OUTLAY	1.6	1.0	(.6)	(60.0%)
TRANSFERS	7.7	8.5	.8	9.4%
TOTAL	\$ 106.4	\$ 115.6	\$ 9.2	8.0%

Personnel costs make up approximately 64% of the General Fund budget so any changes in these costs can have a significant effect on the total budget. Approximately \$1.1 million of the additional personnel costs are for the new proposed positions in FY 2007-08. Due to labor contracts with our employee groups, much of the remaining cost has been previously determined.

GENERAL FUND PERSONNEL COSTS (In Millions)				
	BUDGET 2006-07	BUDGET 2007-08	\$ CHANGE	% CHANGE
SALARIES	\$ 48.1	\$ 51.2	\$ 3.1	6.1%
HEALTH INSURANCE	5.2	6.0	.8	13.3%
RETIREMENT	12.0	13.8	1.8	13.0%
WORKERS COMP	2.1	1.7	(0.4)	(23.5%)
OTHER PERSONNEL	1.4	1.5	0.1	6.7%
TOTAL	\$ 68.8	\$ 74.2	\$ 5.4	7.3%

The table to the left shows the breakdown of personnel costs for the General Fund. Salaries include full and part-time staff costs and account for \$3.1 million of the increase in the General Fund. Approximately \$1.1 million of the additional salary costs are for the

new positions in FY 2007-08. Benefits make up the remainder of the personnel costs. This year there is also a decrease in the projected Workers Comp. costs due to decreased projected claims.

M & O stands for Maintenance and Operations. This category contains the funds for all program expenses other than personnel or capital outlay.

Capital Outlay includes budgeted equipment purchases over \$1,000. Capital outlay over \$10,000 is further detailed in the Appendix. These amounts vary from year to year depending on the program needs.

Transfers are amounts anticipated to be transferred from the General Fund to another fund at the City. The transfers included in this year's proposed budget are to the following funds:

- \$7.9 million to the Infrastructure Replacement Fund - for major maintenance and replacement of City infrastructure. After a review of the City's infrastructure in FY 2006-07 it is recommended to increase the transfer to the Infrastructure Replacement Fund this year from \$7.2 million in FY2006-07 to \$7.9 million in FY 2007-08 to better meet our future needs. This represents 6.5% of the General Fund Revenues, consistent with FY 2006-07.

- \$275,000 to the Hosp Grove Debt Service Fund – for debt service for bonds issued to purchase Hosp Grove. Hosp Grove was originally a grove of eucalyptus trees. It has since been developed into a nature park containing trails and a tot lot.
- Approximately \$108,000 to the Lighting and Landscaping district for the additional medians that have been added in the City of Carlsbad during FY 2006-07.

Another way of looking at the General Fund budget is by program. The chart below compares the recommended FY 2007-08 budget to the amounts adopted in the previous year. The significant changes are noted below.

GENERAL FUND EXPENDITURES BY MAJOR SERVICE AREA (In Millions)				
FUND	BUDGET 2006-07	BUDGET 2007-08	\$ CHANGE	% CHANGE
POLICY/LEADERSHIP	\$ 4.5	\$ 4.7	\$ 0.2	5.2%
ADMINISTRATIVE SERVICES	6.8	7.9	1.1	15.1%
PUBLIC SAFETY	39.2	43.1	3.9	9.8%
COMMUNITY DEVELOPMENT	6.8	7.8	1.0	12.9%
COMMUNITY SERVICES	16.6	17.2	0.6	3.7%
PUBLIC WORKS	21.0	22.9	1.9	9.4%
NON-DEPARTMENTAL	9.2	9.7	0.5	8.6%
CONTINGENCY	2.3	2.3	-	0.0%
TOTAL	\$ 106.4	\$ 115.6	\$ 9.2	8.8%

- The Policy/Leadership Group includes all elected officials and the City Manager's Office. The 5.2% from FY 2006-07 to FY 2007-08 is primarily due to the standard increase in salary and benefit costs.
- The increase from FY 2006-07 to FY 2007-08 in Administrative Services is due to the standard increase in salary and benefit costs, the addition of the new Environmental Resource Management Team (ERMT) program which was approved by City Council during FY 2006-07, proposed goals for contract negotiations and Financing City Services, the increased costs of the City of Carlsbad's Self insured benefits and the additional costs of fully funding retiree health care costs as described earlier.
- The 9.8% growth in Public Safety reflects the 5 new and converted positions requested in the Police Department and 1 new position requested in the Fire Department as well as the general increases in personnel costs.
- In the Community Development area, the 12.9% increase is due mainly to approximately \$660,000 in additional personnel costs associated with the Citygate Associates Report adopted by City Council during FY 2006-07 and the 1 new position requested in the Geographic Information Systems Department.
- Community Services includes Recreation, Library and the Arts. The 3.7% increase reflects general personnel increases, the full year impact of the additional operating costs associated with opening the Pine Avenue Park as well partial year costs associated with the opening two new facilities in 2007-08, Learning Center and the Senior Center, for the Recreation Department. In the Library Department the general personnel increases are partially offset by labor savings from the implementation of the RFID program discussed earlier.



- Public Works shows an overall increase of 9.4%. The increase reflects the addition of 1 new and 1 converted position discussed earlier, general personnel increases as well as the full year impact of the additional operating costs associated with opening the Pine Avenue Park as well partial year costs associated with the opening two new facilities, Learning Center and the Senior Center in FY 2007-08.
- Non-departmental expenses include the transfers previously discussed as well as administrative and other expenses not associated with any one department. The most significant change is the transfer to the Infrastructure Replacement Fund of \$7.2 million in FY 2006-07 to \$7.9 million in FY 2007-08. This transfer helps to ensure funding is available when major facilities need to be replaced.
- The Council Contingency account is available to the City Council for unanticipated emergencies or unforeseen program needs during the year. It is budgeted at \$2.3 million, or approximately 1.9% of the FY 2007-08 General Fund Budget, which is consistent with the \$2.3 million budgeted in the prior year. During FY 2006-07, Council has authorized most of those funds be spent on emergency repairs for damages caused by the 2005 storms, the implementation of the Citygate Associates Report and the San Diego Regional Energy Office Recommended Energy Retrofits.

Changes In Other Funds

Special Revenue funds, at \$10.5 million, are up 5.7% from last year. One of the largest increases is in the Median Maintenance Fund, a Citywide Landscape Maintenance Fund. This fund collects assessments paid by property owners to pay for the maintenance of the City's medians. Using current budget estimates for maintaining current service levels, staff anticipates that this fund will run short of cash by approximately \$108,000 by the end of FY 2006-07. A loan from the General Fund is included in the budget to cover the shortfall until a solution can be determined. The Street Lighting and Landscaping District #2 is also anticipated to increase by approximately \$165,000 in FY 2007-08. This reflects several new zones that have been added to the District in the last few years including; Bressi Ranch, The Raceway, The Palomar Forum and The Villages of La Costa. The Oaks North Industrial will be included in the District in FY 2007-08. In FY 2007-08 there is a Financing City Wide Services Goal that will review alternatives, conduct citizen outreach and provide City Council with viable options for funding several key programs including; lighting and landscaping, open space, habitat management, park development, storm water and flood control.

Enterprise funds total \$51.3 million, which is an increase of \$11.1 million over the estimate for the current fiscal year. The most significant change is the anticipated opening of The Crossings at Carlsbad Golf Course. Water increases of 2.7% are attributed to the increase in the cost of water as well as increased demand, and increased depreciation and debt service costs.



Wastewater operations increased 25% due to higher costs of operating the Encina Wastewater plant, higher depreciation expense from the addition of completed facilities to the inventory, and implementation of the Waste Discharge Requirement Program (WDR). The WDR Program requirement is a result of an Order issued by the State Water Resources Control Board for the purpose of ensuring that overflows from the sanitary sewers are reduced statewide. This is an unfunded state mandate. In order to comply with this mandate, additional

staff and equipment is proposed. An additional 5.7 positions, one new vector truck, one video inspection van, and two additional pick up trucks are proposed to ensure continued compliance with the newly established maintenance standards for sewer main and lift station wet well

inspection and cleaning. The total cost for the vehicles is \$510,000 (one-time) plus \$89,700 in annual ongoing costs. The proposed positions include 4 Utility Workers, one Public Works Superintendent, and one Senior Office Specialist will be split (50/50) between the Wastewater and Storm Water enterprises. The estimated additional cost for the positions and the M&O costs is \$315,000 per year.

The Solid Waste/Storm Water Enterprise costs are also increasing in order to comply with the 2007 Storm Water Permit requirements. This is also an unfunded state mandate. In 2007-08, this program is requesting 2.5 additional positions: 1.0 Environmental Specialist position to serve as lead over Inspections and Complaints, coordinate the Education and Outreach Program, and oversee Municipal Facility Inspections; 1.0 Public Works Supervisor to plan, organize and supervise work plans for personnel in storm drain maintenance programs, and a .50 Senior Office Specialist position to assist with increased data entry, record keeping and general clerical work. The total cost for personnel and M&O is estimated at \$1,650,000 per year plus one-time expenditures of \$40,000 for 2 pickup trucks.

As part of the ongoing financial management program, the City annually prepares five-year forecasts for Water, Wastewater, and Solid Waste enterprises. The proposed rate increases would result in an estimated total monthly increase to an average household of \$7.43 per month, or 9.84%.

The **Internal Service** funds budgets decreased in total by approximately \$435,000, or 3.2%. The Internal Service funds are self-supporting through user charges. Changes occurred in a number of these funds:

- The Workers' Compensation Fund budget was decreased by an estimated \$300,000 from FY 2006-07. This decrease reflects projections that settlements will continue to decrease from previous years and claims will remain at current levels.
- The Liability Self-Insurance budget shows a decline of nearly \$125,000 based on current estimates of reduced settlements and premiums projected in FY 2007-08.
- The Health Insurance budget shows an increase of nearly \$200,000 based on current estimates that dental insurance premiums will increase by approximately 9% and employee health insurance costs and premiums will increase by 5%. Insurance estimates are provided by the City's medical insurance broker.
- The Vehicle Maintenance Fund budget has increased by nearly \$175,000 in FY 2007-08 reflects the increased cost of fuel and the maintenance of City vehicles.
- The Vehicle Replacement Fund budget varies from year to year depending on the need for replacements. The estimated budget for the Fund is \$75,000 less than the previous year, or an 8.0% reduction. A list of the requested vehicle replacements can be found at the end of this document.
- The Information Technology Fund shows a decrease in the department's budget of approximately \$310,000. This is mainly due to decrease in one time capital spending. In FY 2007-08 the Information Technology Department will develop a long term technology plan to address options to best support the City's growing technology infrastructure. A list of planned major capital outlay requests can be found at the end of this document.

The **Redevelopment** Agency budgets have increased by 3.2% or an estimated \$60,000 from the previous year.

SUMMARY

The City of Carlsbad continues to fare well from an economic viewpoint. It is evident that the planning and foresight by the City Council and residents have provided a sound economic base for the City. The increased job opportunities from the development of the industrial and commercial areas, as well as Carlsbad's reputation as a quality City, are keeping the demand for housing growing, which in turn increases the property tax base. The continued opening and expansion of the commercial ventures enhances Carlsbad's standing as a destination resort and gives it the revenues needed to provide quality services to the citizens and businesses. All of these events add to the diversity and strength of Carlsbad's economic base, which will provide the funding for additional services needed to maintain the quality of life in Carlsbad.

The challenges for the future will revolve around changing from a developing City to a fully built City; it will be about managing costs while continuing to look for appropriate revenue streams sufficient to pay for the services desired by the citizens. This year's budget reflects the anticipated achievement of Council's vision and goals for the City. It allocates the available funding in a manner that proactively plans for the future. This plan will provide top-quality services to all who live, work, and play in Carlsbad.



**CITY OF CARLSBAD
OPERATING FUNDS
PROJECTED FUND BALANCES**

FUND	UNRESERVED BALANCE JULY 1, 2006	ESTIMATED REVENUES	ESTIMATED EXPENDITURES	FUND TRANSFERS	PROJECTED BALANCE JUNE 30, 2007
GENERAL FUND	66,066,490	114,494,000	111,748,814 *		68,811,676
ADVANCE TO MEDIAN MAINTENANCE				(178,000)	(178,000)
ADVANCE TO GOLF COURSE CAPITAL PROJECT				(7,886,174)	(7,886,174)
TOTAL	66,066,490	114,494,000	111,748,814		60,747,502
SPECIAL REVENUE					
POLICE ASSET FORFEITURE	637,156	150,000	0		787,156
COPS GRANT	17,657	145,800	0		163,457
POLICE GRANTS	33,186	15,700	0		48,886
HOUSING SECTION 8	369,197	6,136,000	5,227,604		1,277,593
HOUSING TRUST FUND	9,264,337	977,000	359,048		9,882,289
LIBRARY ENDOWMENT FUND	265,950	11,000	14,000		262,950
LIBRARY GIFTS/BEQUESTS	84,246	101,000	0		185,246
TREE MAINTENANCE	588,778	490,000	612,615		466,163
MEDIAN MAINTENANCE	234,358	389,000	555,897	178,000	245,461
STREET LIGHTING	745,670	983,662	947,796		781,536
BUENA VISTA CRK CHNL MNT	945,845	142,200	110,162		977,883
LLD #2	111,430	297,000	140,129		268,301
ARTS SPECIAL EVENTS	86,201	35,000	32,231		88,970
RECREATION DONATIONS	100,974	30,000	0		130,974
SENIOR DONATIONS	194,386	17,000	0		211,386
CDBG ENTITLEMENT	224,404	682,000	470,342		436,062
COMMUNITY ACTIVITY GRANTS	991,656	64,000	0		1,055,656
CULTURAL ARTS PROGRAM	202,679	9,000	8,521		203,158
TOTAL	15,098,110	10,675,362	8,478,345		17,473,127
ENTERPRISE					
WATER OPERATIONS	11,792,644	23,056,080	26,514,035 *	(400,000)	7,934,689
RECYCLED WATER OPERATIONS	3,463,396	3,123,350	3,466,641		3,120,105
SANITATION OPERATIONS	5,301,024	7,748,889	8,836,056		4,213,857
SOLID WASTE MANAGEMENT	7,146,853	2,284,723	2,378,543		7,053,033
GOLF COURSE	0	0	0		0
TOTAL	27,703,917	36,213,042	41,195,275		22,321,684
INTERNAL SERVICE					
WORKER'S COMP SELF INSURANCE	4,510,327	2,577,202	1,817,264		5,270,265
RISK MANAGEMENT	699,626	1,645,709	1,598,795	400,000	1,146,540
SELF-INSURED BENEFITS	715,358	867,000	914,000		668,358
VEHICLE MAINTENANCE	(23,486)	2,555,000	2,485,989		45,525
VEHICLE REPLACEMENT	8,350,459	1,811,000	0		10,161,459
INFORMATION TECHNOLOGY	3,971,237	4,608,388	5,918,716		2,660,909
TOTAL	18,223,521	14,064,299	12,734,764		19,953,056
REDEVELOPMENT					
VILLAGE OPERATIONS / DEBT SVC	2,075,970	2,745,300	2,979,374		1,841,896
VILLAGE LOW/MOD INCOME HOUSING	2,614,839	790,000	76,925		3,327,914
SCCRA OPERATIONS / DEBT SVC	483,224	28,000	228,951		282,273
SCCRA LOW/MOD INCOME HOUSING	372,699	16,000	45,000		343,699
TOTAL	5,546,732	3,579,300	3,330,250		5,795,782
TOTAL OPERATING FUNDS	\$132,638,770	\$179,026,003	\$177,487,448	(\$7,886,174)	\$126,291,151

* Includes fully funding liability for retiree health.

**CITY OF CARLSBAD
OPERATING FUNDS
PROJECTED FUND BALANCES**

FUND	PROJECTED BALANCE JULY 1, 2007	ESTIMATED REVENUES	ADOPTED BUDGET	FUND TRANSFERS	RESERVED BALANCES	PROJECTED BALANCE JUNE 30, 2008
GENERAL FUND	60,747,502	120,999,000	115,619,535			66,126,967
ADVANCE FROM SOLID WASTE				136,000		136,000
ADVANCE TO MEDIAN FUND				(108,000)		(108,000)
ADVANCE TO SCCRA FUND				(200,000)		(200,000)
TOTAL	60,747,502	120,999,000	115,619,535			65,954,967
SPECIAL REVENUE						
POLICE ASSET FORFEITURE	787,156	73,000	140,351			719,805
COPS GRANT	163,457	192,000	219,746			135,711
POLICE GRANTS	48,886	0	0			48,886
HOUSING SECTION 8	1,277,593	5,962,679	6,020,512			1,219,760
HOUSING TRUST FUND	9,882,289	612,000	436,366			10,057,923
LIBRARY ENDOWMENT FUND	262,950	10,000	12,350			260,600
LIBRARY GIFTS/BEQUESTS	185,246	0	0			185,246
TREE MAINTENANCE	466,163	485,391	598,368			353,186
MEDIAN MAINTENANCE	245,461	365,630	709,226	108,000		9,865
STREET LIGHTING	781,536	950,661	1,244,978			487,219
BUENA VISTA CRK CHNL MNT	977,883	143,000	90,600			1,030,283
LLD #2	268,301	476,623	248,434			496,490
ARTS SPECIAL EVENTS	88,970	121,875	59,520			151,325
RECREATION DONATIONS	130,974	0	16,200			114,774
SENIOR DONATIONS	211,386	0	64,500			146,886
CDBG ENTITLEMENT	436,062	672,080	602,848			505,294
COMMUNITY ACTIVITY GRANTS	1,055,656	40,000	30,000		(1,000,000)	65,656
CULTURAL ARTS PROGRAM	203,158	7,000	26,100			184,058
TOTAL	17,473,127	10,111,939	10,520,099			16,172,967
ENTERPRISE						
WATER OPERATIONS	7,934,689	25,118,399	26,048,581			7,004,507
RECYCLED WATER OPERATIONS	3,120,105	3,746,016	4,971,322			1,894,799
SANITATION OPERATIONS	4,213,857	8,739,771	10,846,430			2,107,198
SOLID WASTE MANAGEMENT	7,053,033	3,787,536	4,195,903	(136,000)		6,508,666
GOLF COURSE	0	5,394,739	5,200,206			194,533
TOTAL	22,321,684	46,786,461	51,262,442			17,709,703
INTERNAL SERVICE						
WORKER'S COMP SELF INSUR	5,270,265	2,075,420	2,028,576		(3,400,000)	1,917,109
RISK MANAGEMENT	1,146,540	1,388,887	1,349,977		(750,000)	435,450
SELF-INSURED BENEFITS	668,358	950,666	967,540			651,484
VEHICLE MAINTENANCE	45,525	2,712,963	2,745,984			12,504
VEHICLE REPLACEMENT	10,161,459	2,247,598	865,000		(5,000,000)	6,544,057
INFORMATION TECHNOLOGY	2,660,909	5,355,500	5,034,921		(1,710,601)	1,270,887
TOTAL	19,953,056	14,731,034	12,991,998			10,831,491
REDEVELOPMENT						
VILLAGE OPERATIONS / DEBT SVC	1,841,896	2,766,500	1,609,336			2,999,060
VILLAGE LOW/MOD INCOME HOUSING	3,327,914	806,967	95,604			4,039,277
SCCRA OPERATIONS / DEBT SVC	282,273	4,000	180,293	200,000		305,980
SCCRA LOW/MOD INCOME HOUSING	343,699	14,000	43,595			314,104
TOTAL	5,795,782	3,591,467	1,928,828			7,658,421
TOTAL OPERATING FUNDS	\$126,291,151	\$196,219,901	\$192,322,902	\$0	(\$11,860,601)	\$118,327,549

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
GENERAL FUND					
TAXES					
PROPERTY TAX	\$38,041,495	\$44,921,000	\$49,963,000	11.2%	5,042,000
SALES TAX	27,294,382	28,000,000	28,501,000	1.8%	501,000
TRANSIENT TAX	11,512,552	12,827,000	13,648,000	6.4%	821,000
FRANCHISE TAX	5,429,311	5,324,000	5,623,000	5.6%	299,000
BUSINESS LICENSE TAX	3,039,678	3,200,000	3,280,000	2.5%	80,000
TRANSFER TAX	1,905,842	993,000	1,013,000	2.0%	20,000
TOTAL TAXES	87,223,260	95,265,000	102,028,000	7.1%	6,763,000
INTERGOVERNMENTAL					
VEHICLE LICENSE FEES	587,179	604,000	625,000	3.5%	21,000
OTHER	515,062	1,239,000	2,258,000	82.2%	1,019,000
TOTAL INTERGOVERNMENTAL	1,102,241	1,843,000	2,883,000	56.4%	1,040,000
LICENSES AND PERMITS					
BUILDING PERMITS	1,375,736	930,000	721,000	-22.5%	(209,000)
OTHER LICENSES & PERMITS	1,128,284	1,000,000	875,000	-12.5%	(125,000)
TOTAL LICENSES & PERMITS	2,504,020	1,930,000	1,596,000	-17.3%	(334,000)
CHARGES FOR SERVICES					
PLANNING FEES	890,672	1,000,000	443,000	-55.7%	(557,000)
BUILDING DEPT. FEES	998,840	1,036,000	680,000	-34.4%	(356,000)
ENGINEERING FEES	1,825,354	1,830,000	1,025,000	-44.0%	(805,000)
AMBULANCE FEES	1,685,850	1,500,000	1,565,000	4.3%	65,000
RECREATION FEES	1,581,370	1,630,000	1,685,000	3.4%	55,000
OTHER CHARGES OR FEES	769,587	770,000	796,000	3.4%	26,000
TOTAL CHARGES FOR SERVICES	7,751,673	7,766,000	6,194,000	-20.2%	(1,572,000)
FINES AND FORFEITURES					
	1,063,268	1,050,000	1,086,000	3.4%	36,000
INCOME FROM INVESTMENTS AND PROPERTY*					
	2,411,227	3,710,000	3,892,000	4.9%	182,000
INTERDEPARTMENTAL CHARGES					
	2,611,380	2,180,000	2,570,000	17.9%	390,000
OTHER REVENUE SOURCES					
	1,280,462	750,000	750,000	0.0%	0
TOTAL GENERAL FUND	105,947,531	114,494,000	120,999,000	5.7%	6,505,000

* Interest is calculated on an amortized cost basis.

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
SPECIAL REVENUE FUNDS					
POLICE ASSET FORFEITURE					
ASSET FORFEITURES	114,926	125,000	50,000	-60.0%	(75,000)
INTEREST	13,302	25,000	23,000	-8.0%	(2,000)
TOTAL	128,228	150,000	73,000	-51.3%	(77,000)
COPS GRANT					
STATE FUNDING (AB3229)	137,284	140,000	190,000	35.7%	50,000
INTEREST	(1,237)	5,800	2,000	-65.5%	(3,800)
TOTAL	136,047	145,800	192,000	31.7%	46,200
POLICE GRANTS					
FEDERAL GRANT	21,690	15,000	0	-100.0%	(15,000)
INTEREST	216	700	0	-100.0%	(700)
TOTAL	21,906	15,700	0	-100.0%	(15,700)
HOUSING - SECTION 8					
FEDERAL GRANT	6,013,874	6,100,000	5,951,179	-2.4%	(148,821)
INTEREST	1,576	10,000	1,500	-85.0%	(8,500)
OTHER	13,256	26,000	10,000	-61.5%	(16,000)
TOTAL	6,028,706	6,136,000	5,962,679	-2.8%	(173,321)
HOUSING TRUST FUND					
AFFORDABLE HOUSING FEES	57,017	24,000	57,000	137.5%	33,000
FEDERAL GRANT	295,406	0	0	0.0%	0
INTEREST	240,700	450,000	480,000	6.7%	30,000
OTHER	847,584	503,000	75,000	-85.1%	(428,000)
TOTAL	1,440,707	977,000	612,000	-37.4%	(365,000)
LIBRARY ENDOWMENT FUND					
INTEREST	6,332	11,000	10,000	-9.1%	(1,000)
TOTAL	6,332	11,000	10,000	-9.1%	(1,000)
LIBRARY GIFTS/BEQUESTS					
GIFTS/BEQUESTS	88,955	96,000	0	-100.0%	(96,000)
INTEREST	2,948	5,000	0	-100.0%	(5,000)
TOTAL	91,903	101,000	0	-100.0%	(101,000)

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
TREE MAINTENANCE					
TREE MAINTENANCE FEES	465,439	464,000	460,391	-0.8%	(3,609)
INTEREST	15,453	26,000	25,000	-3.9%	(1,000)
TOTAL	480,892	490,000	485,391	-0.9%	(4,609)
MEDIAN MAINTENANCE					
MEDIAN MAINTENANCE FEES	397,696	388,000	365,630	-5.8%	(22,370)
INTEREST	717	1,000	0	-100.0%	(1,000)
TOTAL	398,413	389,000	365,630	-6.0%	(23,370)
STREET LIGHTING					
STREET LIGHTING FEES	715,034	718,000	721,574	0.5%	3,574
INTERDEPARTMENTAL	28,000	28,000	28,000	0.0%	0
OTHER	189,530	200,662	167,087	-16.7%	(33,575)
INTEREST	25,900	37,000	34,000	-8.1%	(3,000)
TOTAL	958,464	983,662	950,661	-3.4%	(33,001)
BUENA VISTA CREEK CHNL MAINT					
BUENA VISTA FEES	99,911	100,200	100,000	-0.2%	(200)
INTEREST	19,938	42,000	43,000	2.4%	1,000
TOTAL	119,849	142,200	143,000	0.6%	800
LLD #2					
LLD #2 FEES	121,753	290,000	470,423	62.2%	180,423
INTEREST	650	4,000	6,200	55.0%	2,200
OTHER	6,000	3,000	0	-100.0%	(3,000)
TOTAL	128,403	297,000	476,623	60.5%	179,623
ARTS SPECIAL EVENTS					
DONATIONS	70,562	32,000	121,000	278.1%	89,000
INTEREST	(103)	3,000	875	-70.8%	(2,125)
TOTAL	70,459	35,000	121,875	248.2%	86,875
RECREATION DONATIONS					
DONATIONS	14,290	25,000	0	-100.0%	(25,000)
INTEREST	2,195	5,000	0	0.0%	0
TOTAL	16,485	30,000	0	-100.0%	(30,000)

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
SENIOR DONATIONS					
DONATIONS	10,598	9,000	0	-100.0%	(9,000)
INTEREST	4,448	8,000	0	-100.0%	(8,000)
TOTAL	15,046	17,000	0	-100.0%	(9,000)
CDBG ENTITLEMENT					
FEDERAL GRANT	1,046,363	590,000	602,080	2.1%	12,080
INTEREST	76,622	48,000	35,000	-27.1%	(13,000)
OTHER	66,572	44,000	35,000	-20.5%	(9,000)
TOTAL	1,189,557	682,000	672,080	-1.5%	(9,920)
COMMUNITY ACTIVITY GRANTS					
INTEREST	23,049	64,000	40,000	-37.5%	(24,000)
TOTAL	23,049	64,000	40,000	-37.5%	(24,000)
CULTURAL ARTS PROGRAM					
INTEREST	4,973	9,000	7,000	-22.2%	(2,000)
TOTAL	4,973	9,000	7,000	-22.2%	(2,000)
TOTAL SPECIAL REVENUE FUNDS	11,259,419	10,675,362	10,111,939	-5.3%	(563,423)

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
ENTERPRISE FUNDS					
WATER OPERATIONS					
WATER SALES	13,689,338	14,996,100	16,218,282	8.2%	1,222,182
READY TO SERVE CHARGES	3,899,822	4,150,000	5,101,622	22.9%	951,622
PROPERTY TAXES	2,257,123	2,369,980	2,488,479	5.0%	118,499
NEW ACCOUNT CHARGES	136,790	100,000	97,000	-3.0%	(3,000)
BACK-FLOW PROGRAM FEES	109,886	115,000	117,300	2.0%	2,300
PENALTY FEES	245,007	250,000	255,000	2.0%	5,000
INTEREST	343,809	500,000	326,216	-34.8%	(173,784)
ENGINEERING OVERHEAD	169,563	130,000	133,900	3.0%	3,900
SERVICE CONNECTION FEES	168,173	140,000	135,800	-3.0%	(4,200)
AGRICULTURAL CREDITS	100,024	105,000	100,800	-4.0%	(4,200)
OTHER	177,388	200,000	144,000	-28.0%	(56,000)
TOTAL	21,296,923	23,056,080	25,118,399	8.9%	2,062,319
RECYCLED WATER					
WATER SALES	1,324,484	1,575,130	2,014,741	27.9%	439,611
READY-TO-SERVE CHARGE	108,235	130,000	139,100	7.0%	9,100
RECYCLED WATER CREDITS	588,936	784,220	1,026,079	30.8%	241,859
INTEREST	90,666	240,000	166,096	-30.8%	(73,904)
OTHER	11,815	394,000	400,000	1.5%	6,000
TOTAL	2,124,136	3,123,350	3,746,016	19.9%	622,666
SANITATION OPERATIONS					
SERVICE CHARGES	6,707,125	7,300,000	8,300,612	13.7%	1,000,612
MISC SEWER	19,587	19,759	19,953	1.0%	194
ENGINEERING OVERHEAD	159,675	164,465	169,399	3.0%	4,934
PENALTY FEES	74,205	74,852	75,589	1.0%	737
INTEREST	155,154	162,193	145,770	-10.1%	(16,423)
OTHER	26,241	27,620	28,448	3.0%	828
TOTAL	7,141,987	7,748,889	8,739,771	12.8%	990,882
SOLID WASTE MANAGEMENT					
INTEREST	160,058	286,145	283,817	-0.8%	(2,328)
RECYCLING FEES (AB939)	283,280	294,612	306,397	4.0%	11,785
PENALTY FEES	48,403	50,339	52,353	4.0%	2,014
STATE GRANT	29,214	25,531	25,000	-2.1%	(531)
TRASH SURCHARGE	1,561,061	1,608,582	3,119,969	94.0%	1,511,387
OTHER	12,694	19,514	0	-100.0%	(19,514)
TOTAL	2,094,710	2,284,723	3,787,536	65.8%	1,502,813
GOLF COURSE					
OTHER	18,996	0	20,000	0.0%	20,000
OPERATIONS	0	0	5,374,739	0.0%	5,374,739
INTEREST	532,154	0	0	0.0%	0
TOTAL	551,150	0	5,394,739	0	5,394,739
TOTAL ENTERPRISE FUNDS	33,208,906	36,213,042	46,786,461	29.2%	10,573,419

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
INTERNAL SERVICE FUNDS					
WORKERS' COMP SELF-INSURANCE					
INTEREST	83,156	210,000	225,000	7.1%	15,000
INTERDEPARTMENTAL	2,200,238	2,350,000	1,850,420	-21.3%	(499,580)
OTHER	70,446	17,202	0	-100.0%	(17,202)
TOTAL	2,353,840	2,577,202	2,075,420	-19.5%	(501,782)
LIABILITY SELF-INSURANCE					
INTEREST	21,391	20,000	15,887	-20.6%	(4,113)
INTERDEPARTMENTAL	1,284,458	1,375,000	1,373,000	-0.2%	(2,000)
OTHER	31,113	250,709	0	-100.0%	(250,709)
TOTAL	1,336,962	1,645,709	1,388,887	-15.6%	(256,822)
SELF-INSURED BENEFITS					
OTHER	44,113	50,000	60,666	21.3%	10,666
INTERDEPARTMENTAL	804,367	817,000	890,000	8.9%	-100.0%
TOTAL	848,480	867,000	950,666	9.7%	83,666
VEHICLE MAINTENANCE					
INTERDEPARTMENTAL	2,651,519	2,532,000	2,712,963	7.2%	180,963
OTHER	(2,839)	23,000	0	-100.0%	(23,000)
TOTAL	2,648,680	2,555,000	2,712,963	6.2%	157,963
VEHICLE REPLACEMENT					
INTERDEPARTMENTAL	785,771	1,400,000	1,872,598	33.8%	472,598
INTEREST	205,965	380,000	350,000	-7.9%	(30,000)
OTHER	39,516	31,000	25,000	-19.4%	(6,000)
TOTAL	1,031,252	1,811,000	2,247,598	24.1%	436,598
INFORMATION TECHNOLOGY					
INTERDEPARTMENTAL	4,126,814	4,388,388	5,225,500	19.1%	837,112
INTEREST	86,994	177,000	130,000	-26.6%	(47,000)
OTHER	29,879	43,000	0	-100.0%	(43,000)
TOTAL	4,243,687	4,608,388	5,355,500	16.2%	747,112
TOTAL INTERNAL SERVICE FUNDS	12,462,901	14,064,299	14,731,034	4.7%	666,735

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2005-06	PROJECTED REVENUE 2006-07	ESTIMATED REVENUE 2007-08	AS % OF FY 06-07 PROJECTED	DIFFERENCE 2006-07 TO 2007-08
REDEVELOPMENT FUNDS					
VILLAGE OPERATIONS / DEBT SERVICE					
RENTAL INCOME	86,486	45,000	37,500	-16.7%	(7,500)
TAX INCREMENT	2,376,529	2,600,000	2,648,000	1.9%	48,000
INTEREST	24,785	90,000	70,000	-22.2%	(20,000)
OTHER	21,675	10,300	11,000	6.8%	700
TOTAL	2,509,475	2,745,300	2,766,500	0.8%	21,200
VILLAGE LOW AND MOD INCOME HSNB					
TAX INCREMENT	594,132	650,000	661,967	1.8%	11,967
INTEREST	139,716	140,000	145,000	3.6%	5,000
OTHER	0	0	0	0.0%	0
TOTAL	733,848	790,000	806,967	2.2%	16,967
SCCRA OPERATIONS / DEBT SERVICE					
TAX INCREMENT	8,040	0	0	0.0%	0
OTHER	20,000	10,000	0	-100.0%	(10,000)
INTEREST	20,150	18,000	4,000	-77.8%	(14,000)
TOTAL	48,190	28,000	4,000	-85.7%	(24,000)
SCCRA LOW AND MOD INCOME HSNB					
TAX INCREMENT	2,680	0	0	0.0%	0
INTEREST	9,073	16,000	14,000	-12.5%	(2,000)
TOTAL	11,753	16,000	14,000	-12.5%	(2,000)
TOTAL REDEVELOPMENT FUNDS	3,303,266	3,579,300	3,591,467	0.3%	12,167
TOTAL OPERATING	\$166,182,023	\$179,026,003	\$196,219,901	9.6%	\$ 17,193,898

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

			2006-07	2006-07		%INCR (DEC)
	2004-05	2005-06	ESTIMATED	ADOPTED	2007-08	06-07 BUD
DEPARTMENT	ACTUALS	ACTUALS	EXPENDITURES	BUDGET	PROPOSED	TO
GENERAL FUND					BUDGET	07-08 BUD
POLICY AND LEADERSHIP GROUP						
CITY COUNCIL	318,974	336,692	359,770	367,390	392,144	6.7%
CITY MANAGER	1,134,006	1,281,088	1,361,030	1,337,951	1,625,349	21.5%
COMMUNICATIONS	714,618	965,214	913,199	1,107,724	1,048,217	-5.4%
CITY CLERK	129,805	143,395	227,179	253,179	163,669	-35.4%
CITY ATTORNEY	1,094,532	1,126,898	1,198,760	1,204,032	1,264,233	5.0%
CITY TREASURER	159,439	161,239	167,997	183,500	192,675	5.0%
TOTAL POLICY/LEADERSHIP GROUP	3,551,374	4,014,526	4,227,935	4,453,776	4,686,287	5.2%
ADMINISTRATIVE SERVICES						
ADMINISTRATION	519,240	541,333	764,155	743,482	1,054,532	41.8%
FINANCE	2,514,618	2,526,183	3,002,450	2,970,499	3,049,051	2.6%
HUMAN RESOURCES	1,703,114	1,989,763	2,355,561	2,242,796	2,844,348	26.8%
RECORDS MANAGEMENT	736,280	803,838	910,839	880,095	924,501	5.0%
TOTAL ADMINISTRATIVE SERVICES	5,473,252	5,861,117	7,033,005	6,836,872	7,872,432	15.1%
PUBLIC SAFETY						
POLICE	20,578,295	22,271,585	24,396,773	23,630,515	25,864,578	9.5%
FIRE	12,840,572	13,856,441	16,453,291	15,579,211	17,181,178	10.3%
TOTAL PUBLIC SAFETY	33,418,867	36,128,026	40,850,064	39,209,726	43,045,756	9.8%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVEL ADMIN	766,522	913,458	916,529	741,860	706,926	-4.7%
GEOGRAPHIC INFORMATION	278,193	435,237	430,034	418,433	556,882	33.1%
ECONOMIC DEVELOPMENT	192,449	179,969	188,768	213,608	321,539	50.5%
PLANNING	3,418,954	3,059,069	3,218,939	3,292,390	3,884,556	18.0%
BUILDING	1,844,495	2,122,622	2,265,928	2,254,670	2,344,732	4.0%
TOTAL COMMUNITY DEVELOPMENT	6,500,613	6,710,355	7,020,198	6,920,961	7,814,635	12.9%
COMMUNITY SERVICES						
LIBRARY	8,230,016	8,720,695	9,305,149	9,392,745	9,636,275	2.6%
CULTURAL ARTS PROGRAM	784,317	816,222	890,794	815,384	842,916	3.4%
RECREATION	4,830,031	5,150,261	5,682,609	5,509,959	5,764,780	4.6%
SENIOR PROGRAMS	721,538	723,763	800,642	898,627	994,046	10.6%
TOTAL COMMUNITY SERVICES	14,565,902	15,410,941	16,679,194	16,616,715	17,238,017	3.7%

NOTE: Estimated expenditures may exceed Adopted Budget since they include prior year budget appropriations.

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

			2006-07	2006-07	2007-08	%INCR (DEC)
	2004-05	2005-06	ESTIMATED	ADOPTED	PROPOSED	06-07 BUD
DEPARTMENT	ACTUALS	ACTUALS	EXPENDITURES	BUDGET	BUDGET	TO 07-08 BUD
PUBLIC WORKS						
PUBLIC WORKS ADMIN	874,618	908,189	1,173,173	977,632	1,123,216	14.9%
ENGINEERING	5,873,943	6,077,519	7,908,284	7,208,940	8,646,684	19.9%
FACILITIES MAINTENANCE	2,949,783	3,246,660	3,715,344	3,786,086	3,823,980	1.0%
PARK MAINTENANCE	3,619,918	4,078,500	4,859,426	4,749,395	5,208,007	9.7%
STREET MAINTENANCE	2,468,340	2,641,550	3,599,410	2,907,163	3,060,435	5.3%
TRAFFIC SIGNAL MAINT	575,776	953,587	743,406	1,013,807	738,997	-27.1%
TRAILS MAINTENANCE	76,273	132,537	274,420	322,658	338,789	5.0%
TOTAL PUBLIC WORKS	16,438,651	18,038,542	22,273,463	20,965,681	22,940,108	9.4%
NON-DEPARTMENTAL						
COMMUNITY PROMOTION	505,831	338,668	0	0	0	-
COMMUNITY CONTRIBUTIONS	46,365	66,500	0	0	0	-
BEACH PARKING	0	2,434	36,000	36,000	36,000	0.0%
HOSP GROVE PAYMENT	800,000	800,000	275,000	275,000	275,000	0.0%
PROPERTY TAX AND OTHER ADMIN	415,782	385,531	446,150	446,150	550,600	23.4%
DUES & SUBSCRIPTIONS	56,701	58,207	75,200	75,200	75,700	0.7%
INFRASTRUCTURE REPLACE TRANS	3,830,000	4,250,000	7,200,000	7,200,000	7,900,000	9.7%
MANAGEMENT INCENTIVE PAY	0	0	560,000	560,000	635,000	13.4%
DISASTER PREPAREDNESS	1,694,332	5,499,701	0	0	0	-
LEGAL SERVICES	12,959	118,029	250,000	250,000	250,000	0.0%
TRANSFER TO CIP	1,037,535	600,000	0	0	0	-
MISC / TRANSFERS OUT	106,382	100,491	4,822,605	216,000	0	-100.0%
TOTAL NON-DEPARTMENTAL	8,505,887	12,219,561	13,664,955	9,058,350	9,722,300	7.3%
SUBTOTAL GENERAL FUND						
	88,454,546	98,383,068	111,748,814	104,062,081	113,319,535	8.9%
CONTINGENCIES						
	0	0	0	2,300,000	2,300,000	0.0%
TOTAL GENERAL FUND						
	88,454,546	98,383,068	111,748,814	106,362,081	115,619,535	8.7%

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

			2006-07	2006-07	%INCR (DEC)	
	2004-05	2005-06	ESTIMATED	ADOPTED	2007-08	06-07 BUD
DEPARTMENT	ACTUALS	ACTUALS	EXPENDITURES	BUDGET	PROPOSED	TO
					BUDGET	07-08 BUD
SPECIAL REVENUE FUNDS						
POLICE ASSET FORFEITURE	36,327	81,952	0	108,510	140,351	29.3%
COPS FUND	214,084	118,389	0	141,532	219,746	55.3%
POLICE GRANTS	29,230	13,905	0	0	0	-
HOUSING SECTION 8	6,430,184	5,732,311	5,227,604	6,144,692	6,020,512	-2.0%
HOUSING TRUST	1,537,414	252,157	359,048	433,785	436,366	0.6%
LIBRARY ENDOWMENT FUND	8,400	10,050	14,000	14,000	12,350	-11.8%
LIBRARY GIFTS/BEQUESTS	59,553	117,072	0	0	0	-
TREE MAINTENANCE	688,631	603,624	612,615	561,909	598,368	6.5%
MEDIAN MAINTENANCE	527,712	557,833	555,897	534,302	709,226	32.7%
STREET LIGHTING	986,145	1,166,130	947,796	1,080,408	1,244,978	15.2%
BUENA VISTA CRK CHNL MNT	102,848	44,783	110,162	96,500	90,600	-6.1%
LLD #2	33,443	53,057	140,129	129,683	248,434	91.6%
ARTS SPECIAL EVENTS	40,903	40,005	32,231	69,461	59,520	-14.3%
SENIOR DONATIONS	6,360	8,697	0	0	64,500	-
CDBG ENTITLEMENT	708,862	965,152	470,342	590,353	602,848	2.1%
COMMUNITY ACTIVITY GRANTS	49,605	28,058	0	30,000	30,000	0.0%
CULTURAL ARTS PROGRAM	13,579	13,241	8,521	18,000	26,100	45.0%
RECREATION DONATIONS	5,040	11,670	0	0	16,200	-
TOTAL SPECIAL REVENUE FUNDS	11,478,320	9,818,086	8,478,345	9,953,135	10,520,099	5.7%
ENTERPRISE FUNDS						
WATER OPERATIONS	19,132,705	22,677,472	26,514,035	25,368,385	26,048,581	2.7%
RECYCLED WATER OPERATIONS	1,899,952	3,063,364	3,466,641	3,683,660	4,971,322	35.0%
SANITATION OPERATIONS	6,759,281	11,732,177	8,836,056	8,679,673	10,846,430	25.0%
SOLID WASTE MANAGEMENT	1,488,108	1,703,055	2,378,543	2,338,824	4,195,903	79.4%
GOLF COURSE	25,344	13,676	0	80,000	5,200,206	6400.3%
TOTAL ENTERPRISE FUNDS	29,305,390	39,189,744	41,195,275	40,150,542	51,262,442	27.7%
INTERNAL SERVICE FUNDS						
WORKERS COMP SELF INSURANCE	2,251,837	1,333,262	1,817,264	2,322,112	2,028,576	-12.6%
LIABILITY SELF-INSURANCE	2,720,853	825,491	1,598,795	1,473,618	1,349,977	-8.4%
SELF-INSURED BENEFITS	739,008	1,035,587	914,000	771,000	967,540	25.5%
VEHICLE MAINTENANCE	2,032,105	2,391,685	2,485,989	2,572,977	2,745,984	6.7%
VEHICLE REPLACEMENT	1,143,737	1,256,387	0	940,000	865,000	-8.0%
INFORMATION TECHNOLOGY	4,355,566	4,121,440	5,918,716	5,347,474	5,034,921	-5.8%
TOTAL INTERNAL SERVICE FUNDS	13,243,106	10,963,852	12,734,764	13,427,181	12,991,998	-3.2%

NOTE: Estimated expenditures may exceed Adopted budget since they include prior year budget appropriations.

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

			2006-07	2006-07	2007-08	%INCR (DEC)
DEPARTMENT	2004-05	2005-06	ESTIMATED	ADOPTED	PROPOSED	06-07 BUD TO 07-08 BUD
REDEVELOPMENT	ACTUALS	ACTUALS	EXPENDITURES	BUDGET	BUDGET	
VILLAGE OPERATIONS / DEBT SVC	5,657,983	3,325,504	2,979,374	1,525,511	1,609,336	5.5%
VILLAGE LOW/MOD INCOME HSNG	70,613	67,190	76,925	93,775	95,604	2.0%
SCCRA OPERATIONS / DEBT SVC	776,091	461,968	228,951	206,831	180,293	-12.8%
SCCRA LOW/MOD INCOME HSNG	36,995	30,149	45,000	42,535	43,595	2.5%
TOTAL REDEVELOPMENT	6,541,682	3,884,811	3,330,250	1,868,652	1,928,828	3.2%
TOTAL OPERATING FUNDS	149,023,044	162,239,561	177,487,448	171,761,591	192,322,902	12.0%



PERSONNEL ALLOCATIONS FOR 2006-07 AND 2007-08

MAJOR SERVICE AREA	FINAL BUDGET 2005-06	FINAL BUDGET 2006-07	PRELIMINARY BUDGET 2007-08	2007-08 REQUESTED CHANGES
POLICY AND LEADERSHIP GROUP				
CITY COUNCIL	1.00	1.00	1.00	0.00
CITY MANAGER	6.00	7.00	7.00	0.00
COMMUNICATIONS	2.75	3.75	3.75	0.00
CITY TREASURER	0.75	0.75	0.75	0.00
CITY ATTORNEY	7.00	7.00	7.00	0.00
ADMINISTRATIVE SERVICES				
ADMINISTRATION	2.00	2.00	2.00	0.00
RECORDS MANAGEMENT	8.00	8.00	8.00	0.00
INFORMATION TECHNOLOGY	16.00	19.00	19.00	0.00
FINANCE	27.00	28.00	28.00	0.00
RISK MANAGEMENT	2.00	2.00	2.00	0.00
HUMAN RESOURCES & WORKERS COMP	10.00	10.00	10.00	0.00
PUBLIC SAFETY				
POLICE	151.00	157.00	162.00	5.00
FIRE	79.75	87.75	88.75	1.00
COMMUNITY DEVELOPMENT				
COMMUNITY DEVELOPMENT ADMINISTRATION	4.00	5.00	5.00	0.00
BUILDING & CODE ENFORCEMENT	13.00	13.00	13.00	0.00
ECONOMIC DEVELOPMENT & REAL PROPERTY MGMT	1.00	1.00	1.00	0.00
GEOGRAPHIC INFORMATION SYSTEMS	2.00	3.00	4.00	1.00
PLANNING	24.00	27.00	27.00	0.00
HOUSING AND REDEVELOPMENT	10.00	10.00	10.00	0.00
COMMUNITY SERVICES				
LIBRARY	48.00	48.00	48.00	0.00
CULTURAL ARTS	5.00	5.00	5.00	0.00
RECREATION & SENIOR PROGRAMS	32.50	30.50	30.50	0.00
PUBLIC WORKS				
ADMINISTRATION & ENVIRONMENTAL PROGRAMS	14.20	18.00	22.00	4.00
ENGINEERING SERVICES	51.60	54.00	55.00	1.00
GENERAL SERVICES	91.95	95.25	97.25	2.00
MAINTENANCE & OPERATIONS	49.50	47.00	53.00	6.00
FULL AND 3/4 TIME LABOR FORCE*	660.00	690.00	710.00	20.00

PERSONNEL ALLOCATIONS FOR 2006-07 AND 2007-08 (Continued)

SUMMARY OF REQUESTED LABOR FORCE BY CATEGORY				
	<u>2005/06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>Difference</u>
Full Time Personnel	654.00	684.00	704.00	20.00
3/4 Time Personnel in Full Time Equivalents	6.00	6.00	6.00	0.00
Hourly Full Time Equivalent Personnel	147.47	144.12	137.77	(6.35)
TOTAL LABOR FORCE	807.47	834.12	847.77	13.65

LIMITED TERM EMPLOYEES				
	<u>2005/06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>Difference</u>
Management Interns	1.50	1.50	1.50	0.00
Legal Intern	0.50	0.50	0.50	0.00
Building Inspector Intern	0.00	0.00	0.00	0.00
Management Analyst (HR)	0.00	0.00	1.00	1.00
Division Chief Overstaff	0.00	0.00	0.00	0.00
Building Inspector Limited Term	2.00	2.00	2.00	0.00
GIS Intern	0.50	0.50	0.50	0.00
Associate Planner	0.00	0.00	1.00	1.00
Planning Technician Intern	1.00	1.00	0.00	(1.00)
TOTAL LIMITED TERM EMPLOYEES	5.50	5.50	6.50	1.00

* The 2006-07 headcount adopted by City Council on June 20, 2006 was 827.12. There were 7 mid year adjustments approved by Council

